



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

Mr. David E. Frulla, Esq.  
Kelley Drye & Warren, L.L.P.  
3050 K Street, N.W.  
Suite 400  
Washington, DC 20007

**MAY 06 2009**

**RE: MUR 5905**  
**National Association of Social**  
**Workers, Inc., National Association**  
**of Social Workers, Inc. Political**  
**Action for Candidate Election and**  
**Roderick F. O'Connor, Treasurer**

**Dear Mr. Frulla:**

On April 30, 2009, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 432(b) and 11 C.F.R. §§ 102.6(c)(4) and 102.8, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "April J. Sands".

**April J. Sands**  
**Attorney**

**Enclosure**  
**Conciliation Agreement**

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**BEFORE THE FEDERAL ELECTION COMMISSION**

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In the Matter of )

National Association of Social Workers, Inc. )

National Association of Social Workers, Inc. )

Political Action for Candidate Election )

and Roderick F. O'Connor, )

in his official capacity as Treasurer )

MUR 5905

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

The Commission found reason to believe that National Association of Social Workers, Inc. ("NASW") violated 2 U.S.C. § 432(b)(2)(B) and 11 C.F.R. §§ 102.6(c)(4) and 102.8 by failing to timely transmit contributions to NASW Political Action for Candidate Election ("PACE").

The Commission also found reason to believe that PACE and its treasurer violated 11 C.F.R. § 102.6(c)(1) by failing to ensure that the transmittal requirements regarding contributions were met. This agreement refers to NASW, PACE, and Roderick O'Connor collectively as "Respondents."

NOW, THEREFORE, the Commission and the Respondents having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

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COUNSEL

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III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. The National Association of Social Workers ("NASW") is the largest membership organization of professional social workers in the world with 146,000 members.

2. National Association of Social Workers, Inc. Political Action for Candidate Election ("PACE") was formed almost thirty years ago and is the political action arm of NASW. Jacqueline Steingold was the treasurer during 2005-2007. The current treasurer of PACE is Roderick F. O'Connor.

3. As a political action committee, PACE endorses and financially contributes to candidates who support NASW's policy agenda. PACE is funded almost entirely by member contributions and reimburses NASW for virtually all PACE administrative expenses incurred on its behalf, including its share of rent, staff salaries, benefits, and administrative overhead.

4. According to its filings with the Commission, PACE holds itself out as the SSF of NASW and has listed NASW as its connected organization. Thus, NASW is an entity that may act as a collecting agent for PACE.<sup>1</sup>

5. The Commission's regulations require collecting agents to follow certain procedures for collecting and transmitting contributions for the SSF in order not to have their own reporting requirements. For purposes of making transmittals of contributions received in forms other than checks made payable to the separate segregated fund, the collecting agent must either: 1) set up a transmittal account to be used solely for the deposit and transmittal of funds

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<sup>1</sup> A "collecting agent" is an organization or committee that collects and transmits contributions to one or more separate segregated funds ("SSFs") to which the collecting agent is related. See 11 C.F.R. § 102.6(b)(1). A parent, subsidiary, branch, division, department, or local unit of the connected organization or the separate segregated fund may act as collecting agent for the separate segregated fund (SSF). See 11 C.F.R. § 102.6(b)(1)(ii).

collected on behalf of the separate segregated fund; 2) deposit such contributions into the agent's treasury account, keeping separate records; or 3) deposit them into an account used only for state and local election activity. *See* 11 C.F.R. § 102.6(c)(4)(ii). A collecting agent that follows these procedures is not required to register and report as a political committee provided that the organization does not engage in activities such as making contributions or expenditures for the purpose of influencing federal elections. *See* 11 C.F.R. § 102.6(b)(2).

6. As the collecting agent for PACE, NASW is required to forward contributions of \$50 or less to the treasurer of PACE within 30 days of receipt. *See* 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b). In addition, NASW must forward contributions in excess of \$50 to the treasurer of PACE within 10 days of receipt, along with the name and address of the contributor and the date of receipt of the contribution. *See* 2 U.S.C. § 432(b)(2)(B) and 11 C.F.R. § 102.8(b)(2).

7. On four occasions in 2005 and 2006, NASW failed to timely remit payments to PACE within the 30-day required period. Specifically, the four late transfers were: (1) June 2005 contributions transferred approximately 26 days late; (2) June 2006 contributions transferred approximately 15 days late; (3) July 2006 contributions transferred approximately 30 days late; and (4) December 2006 contributions transferred approximately 14 days late. The untimely transfers totaled \$127,728: \$35,708 from the June 2005 contributions; \$30,751 from the June 2006 contributions; \$30,836 from the July 2006 contributions; and \$40,433 from the December 2006 contributions.

V. National Association of Social Workers, Inc. violated 2 U.S.C. § 432(b)(2)(B) and 11 C.F.R. §§ 102.8(b) and 102.6(c)(4) by failing to timely forward contributions it received as a

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collecting agent. National Association of Social Workers, Inc. will cease and desist from violating 2 U.S.C. § 432(b)(2)(B) and 11 C.F.R. §§ 102.8(b) and 102.6(c)(4).

VI. National Association of Social Workers, Inc. Political Action for Candidate Election violated 11 C.F.R. § 102.6(c)(1) by failing to ensure that the transmittal requirements regarding contributions were met. National Association of Social Workers, Inc. Political Action for Candidate Election will cease and desist from violating 11 C.F.R. § 102.6(c)(1).

VII. National Association of Social Workers, Inc. will pay a civil penalty to the Federal Election Commission in the amount of eleven thousand dollars (\$11,000), pursuant to 2 U.S.C. § 437g(a)(5)(A). In determining the civil penalty, the Commission took into account the fact that NASW was cooperative during the course of the investigation. In addition, the Commission noted that NASW, when confronted with complainant's accusations, hired forensic accountants as part of their self-audit to determine the veracity of the complainant's claims. Finally, the Commission took into account the fact that NASW has begun using wire transfers to effect transfers of PACE contributions to ensure that accounting burdens or other workload factors at the close and start of the fiscal year do not interfere with its ability to make timely transfers. This voluntary action by NASW, taken even before receiving notice of the complaint in this matter, should significantly reduce the possibility of a transfer delay and prevent these types of violations from recurring.

VIII. National Association of Social Workers, Inc. Political Action for Candidate Election and Roderick O'Connor, in his official capacity as Treasurer, will pay a civil penalty to the Federal Election Commission in the amount of two thousand five hundred dollars (\$2,500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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IX. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

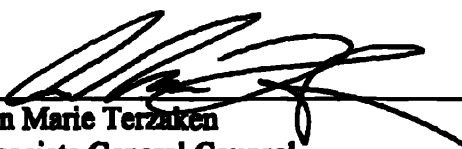
XI. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XII. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Thomasenia P. Duncan  
General Counsel

BY:

  
Ann Marie Terzaken  
Associate General Counsel  
for Enforcement

Date

5/5/07

FOR THE RESPONDENTS:

Elizabeth J. Clark  
(Name) Elizabeth J. Clark  
(Position) Executive Director  
National Association of Social Workers, Inc.

April 3, 2009  
Date

FOR THE RESPONDENTS:

Roderick F. O'Connor  
(Name) Roderick F. O'Connor  
(Position) Treasurer  
National Association of Social Workers, Inc.  
Political Action for Candidate Election  
and Roderick O'Connor, in his official  
capacity as Treasurer

March 26, 2009  
Date

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